



Unibaltic

ocean of possibilities



UNIBALTIC
CODE OF BUSINESS CONDUCT



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1. General.

Code of Business Conduct and Ethics (hereinafter referred to as the “the Code”) applies to Unibaltic Group (hereinafter referred to as “the Company”, “the Group”, “Unibaltic”) for its stakeholders: office employees (hereinafter referred to as “employees”), agents, clients and directors (hereinafter referred to as “the Board”). The Code is an outline of the responsibilities and conduct which shall be followed in the Company. All of our employees shall conduct with respect to ethical business, honesty and integrity. The Company undertakes business activities in accordance with the United Nations Guiding Principles on Business and Human Rights and the Ten Principles of the Global Compact.

Any single business cooperation or joint venture influence the reputation of the Company and have a direct impact on how Company is perceived by the stakeholders and policymakers, therefore it is crucial to make sure that our business partners share the commitment and follow the same principles, mentioned further in this Code.

The company’s utmost importance is to run a fair and ethical business to build a consistent relationship with all concerned parties, including local communities. The Code should be treated as a guidance that identifies both ethical and fair business approaches and misconduct as well. All employees are required to comply with the legal framework in which the Group operates, with internal policies and with the Code. Any violation may result in disciplinary action against the employee.

In order to consistently build a reputation of a trustworthy business partner, the Company shall conduct its business activities in accordance with the Code and create awareness among employees. The Company is mindful of employees and consider them as the greatest value, for this reason, the Company expect to follow the Code in the day-to-day business. Each employee shall:

- ☞ identify and understand the risk associated with the job position;
- ☞ be familiar with relevant solutions related to the specific risk;
- ☞ be familiar with the Code of Business Code;
- ☞ be updated with any amendments/updates of the Code;
- ☞ complete the Code compliance training related to the job position;
- ☞ spread those rules among other employees.

This Code will help our employees to understand their role in the organization and accordance to the company’s values. The Board shall lead the way and develop solidarity with the Company and their arrangements shall encourage and inspire the employees to follow the Code.

The Code must be read together with the other policies and procedures implemented by the Company. The Code is reviewed and updated by the Board of Directors on annual basis. All concerned

parties will be informed about any Code updates. Nevertheless, the Company appreciate the employee's feedback, hence encourage them to share any revisions or ideas to be added in to the Code. Any proposals to be followed by the e-mail address: coc@unibaltic.eu. The latest Code's version is available on the Company's website.

2. Misconduct reporting.

Any violation of this Code should be reported via e-mail: coc@unibaltic.eu or via standard post addressed to the appointed person within the organization on the following address: Unibaltic Shipping Ltd., 229 Arch. Makarios III Ave., Melzia Court, 3105 Limassol, Cyprus with a note "COC".

Unibaltic will make every effort to keep such a report confidential. In a situation where it is made in good faith but proves to be unfounded, there will be no consequences for the reporting person. However, if the investigation shows that the employee has deliberately made false allegations, such person may also be subject to disciplinary proceedings.

In the event that the reporting person expresses the will to disclose such a report, the Company is obliged to ensure that such a report is protected in accordance with the relevant regulations and will not be met with retaliatory actions by co-workers. Any employee who takes retaliatory actions may be subject to disciplinary action.

Each report will be thoroughly and honestly verified. Serious violations of the Code should result in disciplinary action, including termination of employment. In the event of a threat of criminal, civil and administrative sanctions for the Group, it is necessary to inform the appropriate institutions.

3. Environment.

We are aware of shipping impact on the environment. The company is committed, but not limited, to:

1. reduce greenhouse gas emission, by monitoring vessels' energy efficiency and selecting optimal shipping routes;
2. reduce fuel consumption through better operational practices;
3. comply with the Ballast Water Management Convention; our vessels are equipped with an approved ballast water treatment system to minimise the transfer of invasive aquatic species;

4. comply with all environmental laws and regulations;
5. proper segregation of garbage onboard vessels and our office;
6. take care of ships to keep them in good technical condition, and good maintenance which is one of the factors of reducing the risk of environmental pollution;
7. use of antifouling hull paints to minimize drag and additional fuel consumption;
8. use a low Sulphur marine fuel to reduce GHG emission;
9. a zero spill policy;
10. education and promotion of environmental responsibility among our employees and counterparties.

Unibaltic will strive to continuously improve in the above areas in order to reduce its environmental footprint. The Company manage the inherent risks related to the business and is committed to avoiding the incidents that threaten the safety and integrity of our vessels, such as groundings, fires, collisions, discharges, and oil spills. We have established key performance indicators to facilitate regular monitoring of our operational performance. We set targets on an annual basis to drive continuous improvement, and we review performance indicators monthly to determine if remedial action is necessary to reach our targets.

In order to formalize the set goals and to meet regulatory expectations, the Group developed the ESG Strategy. It assumes conducting business in accordance with the UN sustainable development goals as well as the IMO and EU legislation. Sustainable development is necessary to make an effort to minimize unfavorable human activity and social inequalities.

4. Human rights and labour standards.

The Group is constantly striving to improve working conditions and standards. This is one of the key elements of our ESG Strategy. We fully respect human rights and labor standards, adhering to the provisions of the UN Universal Declaration of Human Rights, the UN Global Compact and the Conventions of the International Labor Organization.

We will not engage in or support the exploitation of child labor, forced labor, and any observations related to the above activities will be reported to the appropriate institutions. The Group complies with all international and national laws on human rights and labor standards.

We support freedom of employment and associations. We aim to have clear, transparent and fair employment conditions. The company is committed to keeping the level of employees' commitment and satisfaction under review through appropriate questionnaires conducted on an annual basis.

The Company is very firmly against any forms of mobbing, discrimination, or oppression. Any violation shall be reported in line with the Code.

5. Anti-slavery and human trafficking.

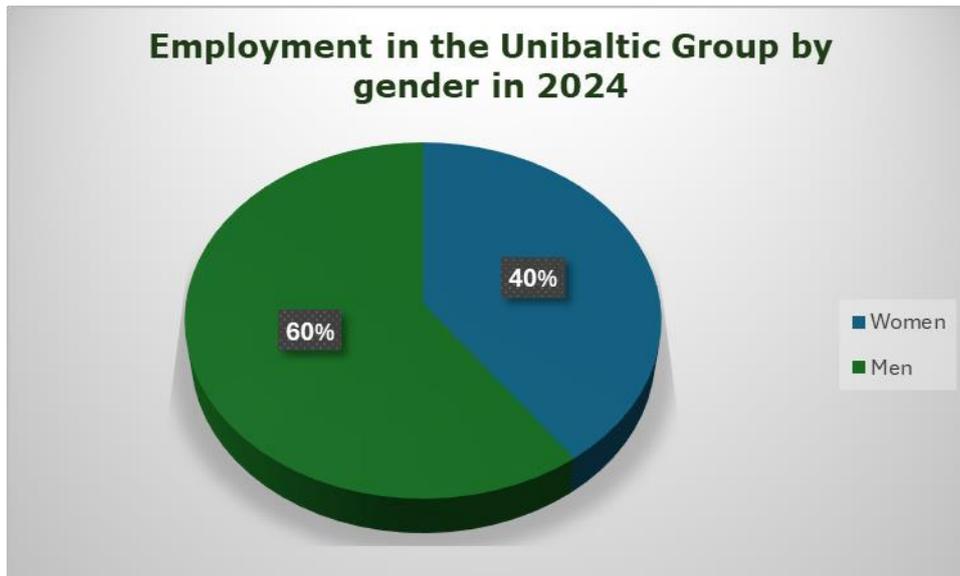
We are firmly opposed to modern slavery and human trafficking in all its forms. The Group is committed to implement appropriate systems and controls to reduce the risk of modern slavery and human trafficking in our supply chain. To this end, a Supplier Code of Conduct has been established. Through this Code, we collect statements from suppliers that share the same values and principles described in this document.

All our employees are aware of the provisions of the Code in this area. Any violation will be treated seriously. An employee who breaks this rule will be subject to disciplinary action and may even be dismissed. In the event of a violation of this policy by the Company's business partners, the cooperation will be terminated immediately.

6. Diversity and inclusion.

We care about equality. Only the work-related abilities of a candidate is a hiring measure. Skin colour, religion, political views, sexual orientation, disabilities, gender and so on are irrelevant. Every single employee has a considerable contribution to the company's development and success. Unibaltic Group respects individuality and does not tolerate any signs of discrimination against its employees. Any human being deserves respect.

The Company respects the individual employee's right to private life, active social life. Furthermore, the Company follows gender equality. The percentage of women hired within the Unibaltic Group is 46%.



7. Safe and healthy work environment.

Bearing in mind our employees, we do our best to provide a safe and healthy work environment. The Company continuously maintain, improve, and develop working conditions. We are always aiming to zero accidents to employees. We comply with the SOLAS, ILO and MLC conventions in the field of fleet and crew management. In this aspect Unibaltic implements also safety procedures in accordance with the International Safety Management Code and MARPOL convention. We fulfill all employees rights in country of activity.

We cannot forget that each employee is responsible for their own health and safety, although safety culture and awareness arise from the Company efforts. Employees shall be familiar with implemented regulations and health and safety rules. The Company pays special attention to appropriate training.

8. Anti-bribery, Corruption and Facilitation Payments.

We are committed to undertake business with the highest standards of ethical conduct, integrity and accountability throughout our business activities. The company has a zero-tolerance policy towards any form of bribery, facilitation payments, corruption and will not engage in any form of these. Any kind of violation shall be immediately reported in accordance with the Code.

Our employees must never take advantage of their position within the Company structure or attempt to do so, with the purpose to gain personal benefits or to pay, propose a payment, authorize payment or promise to pay money or anything of value, directly or indirectly, to a Government Official, an existing or potential business partner or any other party, when such payment is intended to influence

any further act or decision, to award or retain business, or to induce or reward unethical or illegal behavior or breach of duty. It is forbidden to directly or indirectly, accept or attempt to accept or obtain facilitation payments from any person. Such person will be subject to the appropriate disciplinary measures. The Board is committed to implement and enforce effective, adamant policies and procedures to prevent, monitor and eliminate bribery and corruption. The zero-tolerance rule also applies to facilitation payments.

For the purpose of this Code, facilitation payments mean payments made to secure or expedite the performance by a person performing a routine or administrative duty of function. Our contractors, sub-contractors, consultants, agents, authorized representatives, and others must comply with this policy when performing work or service for or on behalf of the company.

9. Sanction regulations.

Sanctions relate to certain individuals, legal entities, cargoes, countries, or vessels. Before commencement of a business with a counterparty, the company will do utmost to verify a potential client. Unibaltic Group is committed to ensure that its business activities do not violate applicable domestic or international embargos or sanctions. For this purpose, the KYC Policy has been developed, which is an element of the Unibaltic Compliance Management System. The Company assures that it does not cooperate with entities covered by sanctions. Any violation of these regulations may result in criminal, civil or administrative sanctions for all involved in the cooperation.

10. Teamwork and trust.

Company expect a mutual understanding and support on the basis of teamwork and integrity between the employees. We value trust, reliability and integrity. These are the values we expect both of ourselves and our partners. Mutual integrity with a feeling of trust and willingness to support are the keys for strong and exemplary cooperation which contributes significantly to long-term cooperation.

11. Money laundering.

It is a generic term used to describe several activities aimed at introducing money or other property values obtained from illegal sources or used for financing illegal activities along with making appearances of legitimate source of such money or values. The main objective of the money laundering criminalization is to deprive criminal activity of profit. Employees are strictly forbidden from participating in or facilitating a money laundering transaction.

Before entering into any business relationship with a third party, the Company will conduct an appropriate due diligence risk assessment process before entering into a business transaction. The aim is to verify available information about potential business partners and suppliers to ensure that they are reputable and conduct legitimate business activities. Any suspicious transactions or suspected cases of money laundering should be reported immediately to a designated person in the organization, who should ultimately inform the appropriate institution. For this purpose, an appropriate internal AML procedure has been established. Employees are regularly trained in accordance with the procedure and applicable laws.

12. Personal data protection and of confidential information.

Every employee authorized to collect, use, and process any personal information's shall strictly follow the company's General Data Protect Policy. Processing of personal data should be done in accordance with the applicable international and domestic laws. The highest degree of confidentiality must be maintained. Personal information may only be disclosed after obtaining the consent of the concerned person and only for proper conduct of the employment process, or a specific situation where lawful authorization is obtained. An employee before such disclosure is obliged to secure properly the content of personal data.

Employees are well informed and aware that any disclose, disseminate or misuse of confidential data or information regarding the Company's business, customers and suppliers, contracts, agreements and transactions and any legal proceedings commenced by or against the Company, is strictly prohibited. They cannot use corporate property, confidential data, or information to achieve personal interests. This obligation remains in force during the employment period. Any person violating this rule, must consider and face all legal consequences. The Company cooperate only with partners which follow the same standards and rules.

13. Protection and proper use of company assets.

Employees shall use all tangible and intangible assets with care and sensibility. Such assets should be used for legitimate purpose. Unibaltic's assets should be protected against theft and loss, as well as carelessness which have a direct impact on the Company's costs. Any theft, waste or misuse is considered as violation, which shall be reported in line with reporting specified stated in this Code of Conduct and Business Ethics.

14. Anti-trust and competition law.

Unibaltic ensure that its actions towards business partners, competitors and governmental authorities are handled in concurrence with fair and proper business practices, including but not limited to compliance with laws and regulations, fair competition and anti-trust principles. Any violation of competition rules will be considered as a misconduct.

15. Conflict of interest.

In case when private interests interfere with the interests of Unibaltic, then a conflict of interest occur. There is a basic conflict of interest when an employee or third party acting on behalf of the company, do business with a family member or with anyone with whom has a close relationships. Even if you act properly, such relationship may influence the judgement.

In any kind of such situation, employees or any other third parties are obliged to disclose it. An involved person shall withdraw from the decision making process and inform supervisor immediately.

16. Alcohol, drugs, and smoking abuse.

The company has a zero-tolerance approach towards alcohol and drugs abuse. Use of drugs and alcohol have an influence on work performance and can be threat to health, safety and the environment. Smoking in the workplace is allowed only in designated areas. However, the company encourage employees to quit this unhealthy habit by smoking risk awareness workshops.

The company have established an appropriate drug and alcohol policy. Any person violating the drugs and alcohol policy will be subject to disciplinary actions, including criminal liability. Consumption of legally prescribed psychoactive drugs is permitted for the treatment of identified illness, subject to prior approval by the company.

17. Enforcement.

Violation of this Code may result in reprimand, claim for damages, termination of employment / contract, or loss of office, depending on the severity. In the case of serious violations and breaking of laws, civil, criminal, and administrative liability should not be excluded.

18. Sustainable development.

The company is committed to sustainable development goals in order to meet world's growing energy needs through environmental and socially responsible efforts. To take care of health and safety of its employees, contractors, and community, the Company will take necessary steps to minimize its impact on ecosystems and biodiversity, to use energy and water in more efficient way, to lower GHG emission from its ships. Our vessels are operated in a manner intended to protect the safety and health of our employees, the public and the environment.

19. Sexual Harassment.

Awareness of physical, emotional, and psychological well-being is very important. In this aspect, the company is committed to provide a convenient working environment with a zero-tolerance to sexual harassment. Such an act will be treated as a serious misconduct. For the purpose of this Code, "sexual harassment" means any unwelcomed conduct of a sexual nature in the form of verbal, non-verbal, visual, psychological or physical harassment. Any recipient of such behavior shall report it in accordance with the Code.

20. Customer due diligence.

The company pays special attention to business partners. Before commencement of a partnership with any third party, the Company is verifying an entity, i.e., if has implemented relevant safety and environmental standards in accordance with the ISO 9001:2015 and 14001:2015, legal basis of its activity and verify registration documents in accordance with the KYC procedure, obtain a declaration regarding the share of company's principles stated in this Code in accordance with company's Customer Code of Conduct.

All existing counterparties shall be verified on a yearly basis. Failure to comply with the principles and standards set out in this Code may result in the termination of relationship with the company. The company established special key performance indicators to evaluate and monitor its business partners.

21. Employee initiative.

Unibaltic firmly encourage employees to take the initiative by providing interesting and challenging work environment, where proactivity is appreciated. The Company is aware of the possibility of making mistakes and allow freedom for employees to fail and try again, as long as fail is not associated with violation of this Code.

22. Compliance.

The Company shall apply necessary means of internal control in order to monitor that this Code of Business Conduct is being fully complied with. On an annual basis, a designated person shall report on compliance with this Code to the Board of Directors. Elements of this Code support a positive culture compliance throughout Company and help ensure that integrity is one of the components of the everyday business activities.